
Local Government Committee

HB 2586

Brief Description: Modifying the sale of real property by water-sewer districts.

Sponsors: Representatives Miloscia, Schindler, Upthegrove, Ahern and Schual-Berke.

Brief Summary of Bill

- Requires that an initial appraised value be determined by a real estate appraiser before a water-sewer district board can conduct a private sale of district property with a value of \$2,500 or less.
- Requires that a board obtain a formal, written appraisal by either three disinterested, licensed real-estate brokers or by three professionally designated real estate appraisers before selling real property having an initial appraised value exceeding \$2,500.

Hearing Date: 2/5/04

Staff: Thamas Osborn (786-7129).

Background:

The board of commissioners of a water-sewer district is authorized to sell district property at a public or private sale if the board determines that the property is not needed. If the property value is greater than \$2,500, the board must provide notice of its intent to sell such property.

The board may not hold a private sale if the appraised value of the property is greater than \$2,500. Additionally, no property may be sold for less than 90% of its appraised value, unless no buyer can be found after 120 days on the market. After 120 days, the board may adopt a resolution stating that it has been unable to sell the property at 90% of its appraised value. The district may then sell the property at the highest price it can obtain at public auction.

Written appraisal is required for the sale of all district property over \$2500. The appraisal must be made no more than six months prior to the date of sale by three disinterested, licensed real-estate appraisers. The appraisal must be signed by the appraisers and filed with the secretary of the board.

Summary of Bill:

A water-sewer district may sell real property at a private sale if the "initial appraised value" is \$2,500 or less. "Initial appraised value" shall be determined by the board of commissioners based

upon an appraisal from a real estate appraiser approved by the board. If the initial appraised value exceeds \$2,500, a formal appraised value shall be established by written appraisal no more than six months prior to the date of sale by three disinterested, licensed real-estate brokers or by three professionally designated real estate appraisers.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.